

**Subpart 3028.3—Insurance****3028.306 Insurance under fixed-price contracts.****3028.306-90 Contracts for lease of aircraft (USCG).**

(a) For the U.S. Coast Guard, the contracting officer shall insert the clauses at (HSAR) 48 CFR 3052.228-91 through 3052.228-93, unless otherwise indicated by the specific instructions for their use, in any contract for the lease of aircraft (including aircraft used in out-service flight training).

(b) For the U.S. Coast Guard, the contracting officer shall insert the clause at (HSAR) 48 CFR 3052.228-91, Loss of or Damage to Leased Aircraft, in any contract for the lease of aircraft, except in the following circumstances:

(1) When the hourly rental rate does not exceed \$250 and the total rental cost for any single transaction is not in excess of \$2,500;

(2) When the cost of hull insurance does not exceed 10 percent of the contract rate; or

(3) When the lessor's insurer does not grant a credit for uninsured hours, thereby preventing the lessor from granting the same to the Government.

(c) For the U.S. Coast Guard, the contracting officer shall insert the clause at (HSAR) 48 CFR 3052.228-92, Fair Market Value of Aircraft, when fair market value of the aircraft can be determined.

(d) 49 U.S.C. 44112, as amended, provides that no lessor of an aircraft under a *bona fide* lease of 30 days or more shall be liable by reason of his interest as lessor or title-holder of the aircraft for any injury to or death of persons, or damage to or loss of property, unless such aircraft is in the actual possession or control of such person at the time of such injury, death, damage or loss. On short-term or intermittent-use leases, however, the owner may be liable for damage caused by operation of the aircraft. It is usual for the aircraft owner to retain insurance covering this liability during the term of such lease. Such insurance can, often for little or no increase in premium, be made to cover the Government's exposure to liability as well. In

order to take advantage of this coverage, the Risks and Indemnities clause at (HSAR) 48 CFR 3052.228-93 prescribed in paragraph (d)(1) of this section shall be used.

(1) For the U.S. Coast Guard, the contracting officer shall insert the clause at (HSAR) 48 CFR 3052.228-93, Risk and Indemnities, in any contract for out-service flight training or for the lease of aircraft when the Government will have exclusive use of the aircraft for a period of less than thirty days.

(2) For the U.S. Coast Guard, any contract for out-service flight training shall include a clause in the contract schedule stating substantially that the contractor's personnel shall at all times during the course of the training be in command of the aircraft and that at no time shall other personnel be permitted to take command of the aircraft.

**3028.307 Insurance under cost-reimbursement contracts.****3028.307-1 Group insurance plans.**

Plans shall be submitted to the contracting officer, who must obtain the advice of legal counsel.

**3028.310 Contract clause for work on a Government installation.****3028.310-70 Contract clause.**

Insert a clause substantially similar to (HSAR) 48 CFR 3052.228-70, "Insurance," in all solicitations and contracts that contain the clause at (FAR) 47 CFR 52.228-5.

**3028.311 Solicitation provision and contract clause on liability insurance under cost-reimbursement contracts.****3028.311-1 Contract clause.**

Insert a clause substantially similar to (HSAR) 48 CFR 3052.228-70, "Insurance," in all solicitations and contracts that contain the clause at (FAR) 48 CFR 52.228-7, unless waived by an official one level above the contracting officer.